

RCA Official, Gov. Hammond Discuss Rural Earth Stations

RCA

The president of RCA Alaska Communications, Inc. Stephen D. Heller, expressed surprise and concern over the adoption of a resolution by the Alaska House of Representatives stating that the State of Alaska should purchase and install small satellite earth stations to provide essential communications to some 100 rural Alaskan communities.

House action was taken with the knowledge that an agreement had been reached between RCA Alascom and the State's Interim Communications Committee after many months of discussion and negotiation.

"I seriously question the wisdom of committing \$5 million of taxpayer funds to create a communications system to serve rural Alaska when private industry has the financial and technical ability to fulfill its responsibilities," said Heller.

Under terms of the agreement the state would select 100 locations to receive satellite earth stations and also determine the order of priority of installation. Of 20 of the earth stations in 1975, not less than 50 in 1976 and an additional 30 by the end of 1977.

Failure to complete installations as scheduled would result in a penalty of \$500 per station, to a maximum of \$5,000,000.

The agreement also provides the state a voice in the design of the system and selection of equipment and does not preclude the state or RCA Alascom from seeking alternative with advancement in communication satellite technology.

Mr Heller stated that he is ready to sign the agreement with the

state but since RCA Alascom is well along with the preparation of requests for FCC authority to construct rural earth stations.

It will start filing within the next few days for 20 locations selected from a list of communities furnished by the state.

"Immediate action by RCA Alascom is essential to the fulfillment of its commitment to install 20 small earth stations this year.

Order for the purchase of equipment will be placed immediately upon receipt of FCC authorization," Heller said.

The small earth stations to be constructed by RCA Alascom will be capable of receiving television through the installation of additional equipment initially or at a later date.

agreement RCA was given until May 15, a date when the Legislature would still have been in session, to approve the State specifications for the earth stations. Assuming agreement was reached, RCA was obligated to install 100 of those stations over the next three years, 20 of them this year. Failure to do so would have resulted in substantial penalties to the company. If RCA did not accept the State specifications by May 15, the State was free to go ahead and purchase its own earth stations, assuming, of course, that the Legislature would approve the money and the FCC would approve State permits. Under the agreement the State was still free at a future date to install further earth stations itself and seek FCC authority to compel RCA to use its earth stations to take communications from competing satellite facilities than those put up by RCA if such satellite facilities became available in the future.

"The agreement entailed some risks. By authorizing RCA to own the earth stations, we were admittedly permitting the company to gain a firm foothold in the Alaska communications market. At the same time, in exchange for that, we were assured of prompt delivery of the stations and were spared the necessity of a large present State expenditure and the creation of additional layers of government to own and maintain the satellite receiving stations.

"I met with representatives of the Legislature yesterday to discuss the agreement. Strong objections were voiced by many in positions of leadership to this agreement with RCA. Concurrently, many legislators indicated that they would prefer

to pass a substantial appropriation so that the State could purchase earth stations, create the additional levels of government, and assume the risk of at least a year's delay in the program to assure what they believe to be long-term benefits to the State. I advised them that the Administration had done all it could do without additional appropriations and money, and that it was prepared (absent additional information to the contrary) to sign the agreement unless there is a legislative declaration to the contrary by resolution and an appropriation of the necessary funds.

"Today a resolution was introduced in the House which urges the Administration to purchase earth stations for the State. There is no question that this will put the issue squarely before the Legislature. If the

resolution passes and a sufficient appropriation is made, we will not sign the agreement with RCA and we will proceed as the Legislature has directed. If the resolution is not passed very promptly and the appropriation is not authorized, I will assume that the Legislature is unwilling to commit itself to a program of this nature and incur the risk of delay in the program.

"The question of whether the State should own earth stations or whether RCA should own them is a close one when you consider all factors. I am willing to either proceed with an appropriate agreement with RCA or to embark upon a program of State ownership if that is what the Legislature desires. What I am not willing to do is to allow the situation to drift any longer. Accordingly, I urge the Legislature to take action now if it intends to take any action at all."